

**Florida PRIME**  
**Fixed Income Investment Oversight Group Meeting**  
**Minutes**  
June 30, 2015 3:00 p.m. – 4:00 p.m.

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**Attendees**

Kevin Ceurvorst – Senior Portfolio Manager-Investment Grade Credit  
Karen Chandler – Director of Enterprise Risk Management / Acting Chief Risk & Compliance Officer  
Lisa Collins – Manager of Public Market Compliance  
Tom Fernald – Senior Portfolio Manager-External Management  
Cherie Jeffries – Director of Fixed Income Trading  
Mykel Kenton – Manager of Public Market Compliance  
Sheilah Smith – Director of Public Market Compliance  
Katy Wojciechowski – Senior Investment Officer-Fixed Income

**Agenda Topics**

1. Follow-up items:  
  
None.
2. Reviewed April 2015 monthly compliance, transaction, and holdings reports.

**Conclusions:**

- A. No compliance violations were reported on the Federated checklist.
  - B. In the verification of high risk parameters, a discrepancy was identified on Weighted Average Life (WAL), which exceeded the tolerance limit of 12 days. The variance between the calculation generated by the internal Eagle system and that reported by Federated was 51 days. This discrepancy was due to incorrect maturity dates in the Eagle system for the municipal issue New York City Municipal Water Finance Authority and the Dreyfus Government Cash Management Fund. After recalculating in Excel, WAL was within tolerance at 57 days versus 59 days reported by Federated.
  - C. No extraordinary transactions or holdings were identified in Florida PRIME.
  - D. No QIB restrictions were identified on Bloomberg for 144A securities purchased in April 2015.
3. Performed the annual review of the *Florida PRIME Compliance Risk Rankings*, relative to the Investment Policy Statement which became effective on 7/1/15.

**Conclusions:**

- A. Each IPS parameter is ranked as “High” or “Low” with respect to the level of risk associated with a potential guideline breach. These rankings, along with the frequency for independent verification, are reviewed and approved by the FI-IOG on a minimum annual basis.

- B. No changes were recommended, and the current risk rankings were approved by the FI-IOG. The following compliance parameters are ranked as “High” risk:
- 1) All securities must be U.S. dollar denominated
  - 2) Unregistered securities must be eligible for sale to Accredited Investors or to Qualified Purchasers
  - 3) All securities must be rated First Tier
  - 4) Dollar Weighted Average Maturity  $\leq$  60 days
  - 5) Weighted Average Life  $\leq$  120 days
  - 6) S&P Weighted Average Life within a maximum range of 90-120 days
  - 7) Minimum 10% invested in Daily Liquid Assets
  - 8) Minimum 30% invested in Weekly Liquid Assets
  - 9) Net Asset Value  $\geq$  \$99.75
- C. SBA Compliance staff will continue to perform independent testing of compliance parameters ranked as “High” risk on a monthly basis, with the exception of the Net Asset Value test, which will be verified daily.

**Action Items**

None.